

# Balanced Value Composite

All information is as of 9/30/2008

## KEY ADVANTAGES

- **Disciplined** adherence to value investment philosophy
- **Deep industry experience** across multiple asset classes
- **Intensive research** from a team of talented analysts
- **Outstanding client service** and communication

## STRATEGIES

- Large Cap Value Equity
- Mid Cap Value Equity
- SMID Cap Value Equity
- Small Cap Value Equity
- Micro Cap Value Equity
- All Cap Value Equity
- Balanced Value

## ABOUT MESIROW FINANCIAL

Mesirow Financial, founded in 1937, is a diversified financial services firm serving the needs of both individuals and institutions. Mesirow Financial's investment advisory affiliates manage nearly \$30 billion in assets for corporations, public and private pension plans, charitable organizations and individuals.

## INVESTMENT STRATEGY

Our Balanced Value portfolio consolidates our equity and fixed income strategies into a single portfolio suited to meet the client's risk profile. Equity exposure is based on (1) expected equity returns and (2) the target risk level for the entire portfolio. The fixed income portion is managed to minimize risk rather than maximize return. The goal is to maintain below-average equity exposure during periods of high market valuations and above average equity exposure when market valuations are below their long-term averages.

## EQUITY CHARACTERISTICS

	MESIROW FINANCIAL	S&P 500 INDEX*
Wtd. Avg. Market Cap (\$MM)	102,423	86,803
Median Market Cap (\$MM)	43,213	9,424
P/E Trailing 12 mos.	11.0	15.1
Dividend Yield (%)	2.6	2.5
Price to Book Value	1.9	2.2
Price to Cash Flow	7.4	9.3
ROE (%)	17.6	14.9

Source: Baseline

\*The S&P 500 Index is an unmanaged, market capitalization weighted index that is designed to reflect the performance and fundamental characteristics of the broad market.

## FIXED INCOME CHARACTERISTICS

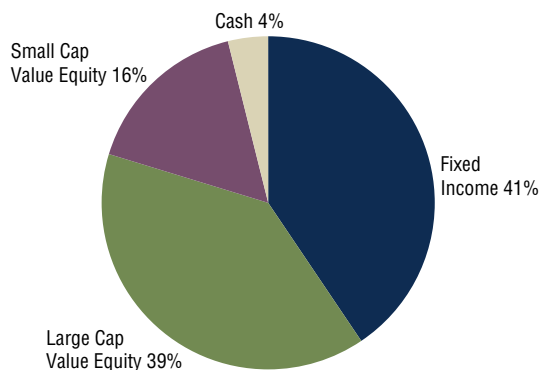
	MESIROW FINANCIAL	LEHMAN AGGREGATE*	LEHMAN INT. GOV'T**
Duration	2.51	4.59	3.48
Yield-to-Maturity	3.60	5.15	2.98
Average Maturity	4.12	6.37	4.11
Coupon	4.46	5.36	4.33

Source: CMS BondEdge

\*The Lehman Brothers U.S. Aggregate Index represents securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

\*\*The Intermediate U.S. Government Index includes treasuries (i.e. public obligations of the U.S. Treasuries) and agencies (i.e. publicly issued debt of the U.S. Government Agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government) that have remaining maturities of more than one year, but less than 10 years.

## CURRENT ASSET ALLOCATION



## ASSET CLASS ALLOCATION RANGE

ASSET CLASS	ALLOCATION RANGE
Equity	30 – 70%
Fixed Income	30 – 70%
Cash	0 – 10%

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